LIGHTING THE WAY FOR GENERATIONS TO COME

Climb WYOMING 35 YEARS

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2021

CLIMB D/B/A CLIMB WYOMING

FINANCIAL REPORT

SEPTEMBER 30, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Climb d/b/a Climb Wyoming
Cheyenne, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of Climb d/b/a Climb Wyoming (the Organization), which comprise the Statements of Financial Position as of September 30, 2021 and 2020, the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
February 8, 2022

CLIMB D/B/A CLIMB WYOMING

STATEMENTS OF FINANCIAL POSITION
September 30, 2021 and 2020

		2021		2020
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	**2,304,069**	$	2,302,493
Certificates of deposit		**340,820**		653,786
Grants receivable		**1,042,655**		733,157
Contract and other receivables		**27,141**		42,911
Pledges receivable, net of doubtful accounts (2021 $13,450; 2020 $6,301) (Notes 1 and 2)		**407,536**		254,768
Prepaid contracted services		**5,628**		1,564
Prepaid rent and insurance		**14,286**		14,014
		4,142,135		4,002,693
Noncurrent Assets				
Investments (Note 4)		**1,768,272**		135,090
Cash held for permanent endowment (Note 3)		**9,683**		6,123
Investments held for permanent endowment (Notes 3 and 4)		**1,272,877**		1,049,091
Certificates of deposit		**-**		232,802
Pledges receivable, net of discount (Note 1)		**78,968**		35,037
Furniture and equipment, net of accumulated depreciation (2021 $145,392; 2020 $151,905)		**65,497**		11,160
		3,195,297		1,469,303
Total assets	**$**	**7,337,432**	$	5,471,996
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	**$**	**67,873**	$	38,542
Deferred revenue		**202,812**		274,716
Note payable (Note 9)		**500,000**		500,000
Total liabilities		**770,685**		813,258
Net Assets				
Without donor restrictions		**4,512,219**		2,893,941
With donor restrictions (Note 3):				
Subject to the passage of time or expenditure for specified purpose		**771,968**		709,583
Endowment Funds:				
Original gifts (corpus)		**784,511**		784,411
Accumulated endowment earnings		**498,049**		270,803
Total endowment funds		**1,282,560**		1,055,214
Total net assets with donor restrictions		**2,054,528**		1,764,797
Total net assets		**6,566,747**		4,658,738
Total liabilities and net assets	**$**	**7,337,432**	$	5,471,996

See Notes to Financial Statements.

CLIMB D/B/A CLIMB WYOMING

STATEMENTS OF ACTIVITIES
Years Ended September 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Additions to Net Assets						
Federal grant revenue	**$ 4,160,046**	**$ -**	**$ 4,160,046**	$ 3,756,969	$ -	$ 3,756,969
Individual and corporate donation income (Note 2)	**1,579,584**	**322,952**	**1,902,536**	885,903	316,572	1,202,475
Foundation and corporate grant revenue	**80,512**	**277,196**	**357,708**	247,180	189,473	436,653
State and local grant revenue	**111,657**	**-**	**111,657**	113,539	-	113,539
Contracted service income	**353,733**	**-**	**353,733**	229,564	-	229,564
Realized and unrealized gains on investments	**3,440**	**244,969**	**248,409**	-	49,954	49,954
Interest income	**18,640**	**13,363**	**32,003**	18,576	14,208	32,784
Miscellaneous income (Note 9)	**513,285**	**-**	**513,285**	7,549	-	7,549
	6,820,897	**858,480**	**7,679,377**	5,259,280	570,207	5,829,487
Net assets released from restrictions (Note 3)	**568,749**	**(568,749)**	**-**	507,901	(507,901)	-
Total revenue and additions	**7,389,646**	**289,731**	**7,679,377**	5,767,181	62,306	5,829,487
Expenses and Reductions in Net Assets (Note 6)						
Program services	**4,732,460**	**-**	**4,732,460**	4,359,642	-	4,359,642
Management and support	**606,867**	**-**	**606,867**	607,273	-	607,273
Fundraising	**432,041**	**-**	**432,041**	422,262	-	422,262
Total expenses and reductions	**5,771,368**	**-**	**5,771,368**	5,389,177	-	5,389,177
Net increase in net assets	**1,618,278**	**289,731**	**1,908,009**	378,004	62,306	440,310
Net Assets, beginning of year	**2,893,941**	**1,764,797**	**4,658,738**	2,515,937	1,702,491	4,218,428
Net Assets, end of year	**$ 4,512,219**	**$ 2,054,528**	**$ 6,566,747**	$ 2,893,941	$ 1,764,797	$ 4,658,738

See Notes to Financial Statements.

CLIMB D/B/A CLIMB WYOMING

STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended September 30, 2021 and 2020

	2021				2020			
	Program Services	**Management and Support**	**Fundraising**	**Total**	Program Services	Management and Support	Fundraising	Total
Bad debt expense	**$ -**	**$ -**	**$ 1,700**	**$ 1,700**	$ -	$ -	$ 6,108	$ 6,108
Contracted services	**357,153**	**96,072**	**28,599**	**481,824**	222,450	52,256	9,689	284,395
Depreciation expense	**6,194**	**841**	**612**	**7,647**	4,739	644	468	5,851
Employee health and retirement benefits	**180,793**	**42,356**	**13,035**	**236,184**	201,779	34,990	14,848	251,617
Employer payroll taxes	**158,510**	**34,280**	**20,275**	**213,065**	150,411	36,046	22,018	208,475
Events and mailing	**1,022**	**165**	**94,925**	**96,112**	-	-	51,346	51,346
Facility	**380,935**	**27,931**	**37,210**	**446,076**	408,333	24,679	37,730	470,742
GED instruction	**62**	**-**	**-**	**62**	439	-	-	439
Graduate services	**2,335**	**-**	**-**	**2,335**	5,950	-	-	5,950
Insurance	**20,341**	**4,342**	**1,934**	**26,617**	19,348	3,633	1,945	24,926
Mental health provider	**432,330**	**-**	**-**	**432,330**	455,602	-	-	455,602
Office supplies	**76,239**	**19,162**	**9,781**	**105,182**	70,005	19,289	9,279	98,573
Participant and employer recruitment	**318,179**	**196**	**31**	**318,406**	292,098	60	-	292,158
Participant career clothing	**37,577**	**-**	**-**	**37,577**	32,588	-	-	32,588
Participant group life skills training	**177,484**	**-**	**2**	**177,486**	112,878	-	-	112,878
Participant incentives	**140,102**	**-**	**-**	**140,102**	135,690	-	-	135,690
Participant license and certification	**13,734**	**-**	**-**	**13,734**	7,100	-	-	7,100
Participant recognition events	**11,101**	**-**	**-**	**11,101**	6,939	-	-	6,939
Participant screenings	**12,770**	**-**	**-**	**12,770**	9,540	-	-	9,540
Participant transportation assistance	**8,573**	**-**	**-**	**8,573**	12,553	-	-	12,553
Participant tuition	**267,258**	**-**	**-**	**267,258**	203,590	-	-	203,590
Participant wage reimbursement	**224,046**	**-**	**-**	**224,046**	152,790	-	-	152,790
Program coordination and salary	**1,731,737**	**374,861**	**216,777**	**2,323,375**	1,749,818	416,226	246,205	2,412,249
Repair and maintenance	**5,066**	**785**	**284**	**6,135**	2,226	774	300	3,300
Staff development and training	**124,324**	**5,261**	**1,549**	**131,134**	74,433	16,923	7,755	99,111
Staff travel	**44,595**	**615**	**5,327**	**50,537**	28,343	1,753	14,571	44,667
	$ 4,732,460	**$ 606,867**	**$ 432,041**	**$ 5,771,368**	$ 4,359,642	$ 607,273	$ 422,262	$ 5,389,177

See Notes to Financial Statements.

CLIMB D/B/A CLIMB WYOMING

STATEMENTS OF CASH FLOWS
Years Ended September 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Net increase in net assets	**$ 1,908,009**	$ 440,310
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Depreciation	**7,647**	5,851
Gain on extinguishment of debt	**(500,000)**	-
Realized and unrealized (gain) on investments held for endowment	**(216,290)**	(43,326)
Realized and unrealized (gain) on investments	**(32,119)**	(6,628)
Contributions received for endowment purposes	**(100)**	-
Change in operating assets and liabilities:		
Prepaid expenses	**(4,336)**	17,544
Receivables	**(490,427)**	232,492
Accounts payable and accrued expenses	**29,331**	(88,071)
Deferred revenue	**(71,904)**	(101,782)
Net cash provided by operating activities	**629,811**	456,390
Cash Flows from Investing Activities		
Purchase of investments - permanent endowment	**(195,152)**	(347,399)
Purchase of investments	**(1,920,220)**	(39,819)
Sale of investments - permanent endowment	**187,656**	334,277
Sale of investments	**319,157**	37,756
Purchase of certificates of deposit	**-**	(247,824)
Redemption of certificates of deposit	**545,768**	232,582
Purchase of property and equipment	**(61,984)**	(7,231)
Net cash (used in) investing activities	**(1,124,775)**	(37,658)
Cash Flows from Financing Activities		
Contributions restricted for endowment purposes	**100**	-
Proceeds from notes payable	**500,000**	500,000
Net cash provided by financing activities	**500,100**	500,000
Change in cash and cash equivalents	**5,136**	918,732
Cash and Cash Equivalents, beginning of year	**2,308,616**	1,389,884
Cash and Cash Equivalents, end of year	**$ 2,313,752**	$ 2,308,616

See Notes to Financial Statements.

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: Climb d/b/a Climb Wyoming (the Organization) is a not-for-profit corporation that operates solely for charitable purposes of training and placing low-income single mothers in jobs that successfully support their families. The Organization achieves this mission through Climb Wyoming programs that provide employer-driven job skills training and placement, life skills training, counseling, and the support necessary to ensure self-sufficiency and long-term success.

A summary of significant accounting policies follows:

Basis of accounting: The Organization conforms to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities. Revenue is recognized when earned and expenses are recorded when incurred.

Financial statement presentation: The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, as the basis of presentation of its financial statements. This Topic establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors (the Board). These also include Board-designated or appropriated amounts.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; these restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds must be maintained in perpetuity.

It also requires the Organization to distinguish between contributions received for each net asset category, in accordance with donor-imposed conditions.

Income taxes: The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Contributions to the Organization are deductible as allowed under Section 170 of the IRC.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustments to the financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities except for the last three years filed.

Cash and cash equivalents: For purposes of reporting cash flows, the Organization considers all demand deposits, money market accounts, and highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Note 1. Nature of Business and Significant Accounting Policies, *Continued*

The Organization maintains its cash in bank deposit accounts that, at times, may exceed Federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Pledges receivable: Pledges receivable represent amounts committed by donors that have not been received by the Organization. Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts were computed using an interest rate of 4% for the years ended September 30, 2021 and 2020. Amortization of the discount is included in donation income. The unamortized discount was $16,178 and $7,723 as of September 30, 2021 and 2020, respectively.

Gross pledges receivable, prior to the discount and allowance for doubtful accounts, as of September 30 are due during the following periods:

	2021	2020
Less than one year	**$ 420,986**	$ 261,069
One to five years	**95,146**	42,760
	$ 516,132	$ 303,829

Investments: The Organization accounts for its investments under ASC Topic 958, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under this topic, investments in marketable securities with readily determinable fair values are valued at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. Non-brokered certificates of deposit are presented separately on the face of the Statements of Financial Position and are carried at cost plus accrued interest. The investment portfolio disclosed in Note 4 is diversified among major industry sectors.

Fair value measurements: ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a framework for fair value measurement and disclosure. It requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Level 2 valuations are based on quoted market prices for identical assets in less than active markets.

Note 1. Nature of Business and Significant Accounting Policies, *Continued*

The Organization invests in professionally managed portfolios. The Organization has valued these investments utilizing the Level 1 approach.

Depreciation: It is the Organization's policy to capitalize property and equipment over $3,000 with a useful life of at least three years. Furniture and equipment are stated at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. Depreciation on furniture and equipment is calculated using the straight-line method. Furniture and equipment are depreciated over their useful lives of three to seven years. Expenditures for repairs and maintenance are expensed when incurred.

Revenue recognition: The Organization recognizes revenue in accordance with ASC Topic 958 and ASC Topic 606, *Revenue from Contracts with Customers*. Accordingly, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution.

If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under ASC Topic 606, which provides for a five-step model for recognizing revenue from contracts with customers, as follows:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when or as performance obligations are satisfied

If the transfer of assets is determined to be a contribution, ASC Topic 958 applies. Under ASC Topic 958, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contracted service income: Contracted service income is recognized in accordance with ASC Topic 606. Specifically, contracted service income is recognized in the period in which the contracted service (performance obligation) is provided and per the terms of the individual agreements/contracts. Revenue is recorded at the transaction price, which includes fixed consideration, and is generally recognized at a point in time. Certain contracts have more than one performance obligation. Revenue related to these contracts is recognized over time as each performance obligation is satisfied.

Grants (Federal, state, and local): The Organization recognizes grant revenue in accordance with ASC Topic 958. Grants received are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses and are recognized as costs are incurred. Grant revenue is deferred when amounts received from grant and contract sponsors have not yet been earned under the terms of the agreement. Grants receivable include amounts due from Federal, state, and local grant programs. All grants are considered by management to be fully collectible; no allowance for doubtful accounts has been accrued.

Note 1. Nature of Business and Significant Accounting Policies, *Continued*

Individual and corporate donation income: The Organization recognizes contribution income in accordance with ASC Topic 958. Unconditional promises to give are recognized as revenue or gain in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Depending on the existence or nature of any donor restrictions, unconditional contributions received are recorded as increases in net assets with donor restrictions or net assets without donor restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and promises become unconditional. There were no conditional promises to give received by the Organization during the years ended September 30, 2021 or 2020.

Functional allocation of expenses: The costs of providing program and supporting services have been reported on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted, based on management's estimate of the relative attention and effort exerted toward specific functional areas.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Subsequent events: Events occurring subsequent to the Statement of Financial Position date have been evaluated for financial statement impact or disclosure through February 8, 2022, the date the financial statements were available to be issued.

Note 2. Related-Party Transactions

During each of the years ended September 30, 2021 and 2020, the Organization contracted with related parties for office space in the amount of $36,648. During the years ended September 30, 2021 and 2020, the Organization received donations from related parties totaling $400,754 and $46,514, respectively, and had pledges receivable from related parties at year-end totaling $38,914 and $57,864, respectively.

Note 3. Restricted Funds and Endowments

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Net assets released from restrictions: Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors. Net assets released from restrictions amounted to $568,749 and $507,901 during the years ended September 30, 2021 and 2020, respectively.

Note 3. Restricted Funds and Endowments, ***Continued***

Net assets with donor restrictions: Donor-restricted net assets are available for the following purposes or periods as of September 30:

	2021			
	Endowment Corpus	**Endowment Accumulated Earnings**	**Other Donor Restrictions**	**Total**
Long-term operations	**$ 650,300**	**$ 430,345**	**$ -**	**$ 1,080,645**
Locations	**134,211**	**67,704**	**717,712**	**919,627**
Organization activities other than personnel-related expenses	**-**	**-**	**54,256**	**54,256**
	$ 784,511	**$ 498,049**	**$ 771,968**	**$ 2,054,528**

	2020			
	Endowment Corpus	Endowment Accumulated Earnings	Other Donor Restrictions	Total
Long-term operations	$ 650,200	$ 239,155	$ -	$ 889,355
Locations	134,211	31,648	673,471	839,330
Facilities, equipment, operating expenses	-	-	10,536	10,536
Organization activities other than personnel-related expenses	-	-	25,576	25,576
	$ 784,411	$ 270,803	$ 709,583	$ 1,764,797

Endowment: As of September 30, 2021 and 2020, the Organization had received donor-restricted endowments totaling $1,282,560 and $1,055,214, respectively, which are classified within net assets with donor restrictions. As of September 30, 2021 and 2020, $9,683 and $6,123, respectively, of these permanent endowment funds are temporarily being held as cash until suitable investment opportunities are identified and the remaining $1,272,877 and $1,049,091, respectively, have been invested in equity and debt securities, mutual funds, U.S. Treasury securities, and certificates of deposit. In accordance with the endowment agreement, the income earned by the permanent endowment shall be used for initiatives that address the operational priorities and mission of the Organization.

Note 3. Restricted Funds and Endowments, *Continued*

The changes in endowment net asset composition by type of funds during the years ended September 30 are as follows:

	2021		
	Without Restrictions	**With Restrictions**	**Total**
Endowment net assets, beginning of year	**$ -**	**$ 1,055,214**	**$ 1,055,214**
Investment return:			
Investment income, net	**-**	**227,246**	**227,246**
Donation income	**-**	**100**	**100**
Endowment net assets, end of year	**$ -**	**$ 1,282,560**	**$ 1,282,560**

	2020		
	Without Restrictions	With Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 999,475	$ 999,475
Investment return:			
Investment income, net	-	55,739	55,739
Endowment net assets, end of year	$ -	$ 1,055,214	$ 1,055,214

The Organization has interpreted Wyoming's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent any explicit donor stipulation to the contrary.

As a result of this interpretation, the Organization classifies donor-restricted net assets as: (a) the original value of the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the endowment fund;
2. The purposes of the Organization and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization; and
7. The investment policies of the Organization.

Note 3. Restricted Funds and Endowments, *Continued*

Funds with deficiencies: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. These deficiencies would be a result of unfavorable market fluctuations that occur shortly after the investment of new donor-restricted endowment contributions and continued appropriation for certain programs that are deemed prudent by the Board. There were no deficiencies of this nature as of September 30, 2021 or 2020.

Endowment return objectives, risk parameters and spending policy: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. It is the Organization's policy to appropriate actual earnings on endowment investments.

Note 4. Investments

The cost and fair values of marketable securities are as follows at September 30:

	2021		2020	
	Cost	**Fair Value**	Cost	Fair Value
Equity securities (ETFs; Index Funds)	**$ 2,403,631**	**$ 2,792,836**	$ 732,345	$ 949,926
Mutual funds	**244,800**	**248,313**	231,500	234,255
Total marketable securities	**$ 2,648,431**	**$ 3,041,149**	$ 963,845	$ 1,184,181

The Organization's investment portfolio is subject to concentration of credit risk. At September 30, 2021, there was one investment totaling $503,443 where the individual investment was greater than or equal to 10% of the fair value of the investment portfolio. At September 30, 2020, there were two investments totaling $473,382 where the individual investment was greater than or equal to 10% of the fair value of the investment portfolio.

Note 5. Economic Dependence

During the years ended September 30, 2021 and 2020, the Organization was highly dependent on grant revenue and contracted services revenue received from the State of Wyoming through grants and contracts provided by the Department of Family Services. Revenue from this source accounted for approximately 49% and 59% of total revenue for the years ended September 30, 2021 and 2020, respectively.

Note 6. Lease Commitments

The Organization leases office space and a telephone system under various leases, which expire through December 31, 2024. The total minimum lease commitment at September 30, 2021 under these leases is as follows:

Years ending September 30:		
2022	$	347,330
2023		134,727
2024		56,647
2025		8,849
	$	547,553

Rental expense for all operating leases included in the Statements of Functional Expenses totaled $372,278 and $375,451, including the in-kind rental expense of $0 and $8,250, for the years ended September 30, 2021 and 2020, respectively.

Note 7. Liquidity and Availability of Financial Assets

The Organization has a goal to maintain financial assets, consisting of cash, cash equivalents, certificates of deposit, and current receivables, that are sufficient to meet the normal operating expenses for one year. The following reflects the Organization's financial assets as of the Statement of Financial Position dates, reduced by amounts not available for general use within one year of the Statement of Financial Position dates because of donor-imposed restrictions. Amounts available include amounts determined to be used for restricted purposes only as established by the endowments. The Organization's Board has set a policy regarding its level of reserves and evaluates the policy on an annual basis.

The Organization's financial assets available within one year of the Statement of Financial Position dates for general expenditures are as follows:

	2021	2020
Cash and cash equivalents	**$ 2,304,069**	$ 2,302,493
Certificates of deposit	**340,820**	653,786
Grants receivable	**1,042,655**	733,157
Contracts and other receivables	**27,141**	42,911
Current portion of pledge receivable	**407,536**	254,768
Total financial assets	**4,122,221**	3,987,115
Less net assets with donor restrictions	**771,968**	709,583
Financial assets available to meet cash needs for general expenditures within one year	**$ 3,350,253**	$ 3,277,532

Note 8. Recently Issued Accounting Pronouncements

Upcoming:

Topic 842, Leases: In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. This amendment applies to any entity that enters into a lease, with some specified scope exemptions, and was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the Statement of Financial Position and disclosing key information about lease arrangements.

In January 2018, the FASB issued ASU 2018-01, *Leases (Topic 842): Land Easement Practical Expedient for Transition to Topic 842*, which amends the new lease guidance to add an optional transition practical expedient that permits an entity to continue applying its current accounting policy for land easements that exist or expire before the ASC 842 effective date. In July 2018, the FASB issued ASU 2018-10, *Codification Improvements to Topic 842, Leases,* which makes narrow-scope improvements to the standard for specific issues. In July 2018, the FASB also issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides an optional transition method allowing the standard to be applied at the adoption date. In November 2021, the FASB issued ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees that are not Public Business Entities*, which allows lessees that are not public business entities to make the ASC 842 risk-free discount rate accounting policy election by class of underlying asset, rather than at the entity-wide level.

In October 2019, the FASB issued ASU 2019-10, which deferred the effective date of ASU 2016-02. In June 2020, the FASB issued ASU 2020-05, which further deferred the effective date of ASU 2016-02. ASU 2016-02 and related amendments are effective for fiscal years beginning after December 15, 2021.

A modified retrospective transition approach is required. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the financial statements, with a cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented, or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment.

Topic 958, Not-for-Profit Entities: In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the Statement of Activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for fiscal years beginning after June 15, 2021. The adoption of ASU 2020-07 is not expected to have a significant impact on the Organization's financial statements.

The Organization is currently evaluating the impact that the provisions of these ASUs will have on its financial statements.

Note 9. Coronavirus Aid, Relief, and Economic Security Act, and Subsequent Event

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has impacted, and continues to significantly impact, the economic conditions in the U.S. as Federal, state and local governments react to the public health crisis, and has created significant uncertainties in the U.S. economy. It is unknown how long the adverse economic conditions associated with the coronavirus will last and what the complete financial effect will be, if any, on the Organization.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, among other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic, including the Paycheck Protection Program (PPP or the Program) implemented by the U.S. Small Business Administration (SBA).

On December 21, 2020, Congress passed the Consolidated Appropriations Act of 2021, which provided additional funding for the PPP. This additional funding was used to (a) re-open the PPP for first-draw loans and (b) allow certain borrowers to apply for a second draw of PPP funding (PPP2).

Due to economic uncertainty and in order to retain its workforce, the Organization applied for and received the following assistance:

PPP loan: On April 17, 2020, the Organization obtained a PPP loan in the amount of $500,000, which was accounted for under ASC 470, *Debt*. The loan accrued interest at a rate of 1.00% and was unsecured. The Organization applied for and was granted loan forgiveness, which was approved in full by the SBA on March 2, 2021. The amount forgiven, which comprised the loan principal and accrued interest, in included in miscellaneous income as reported on the Statement of Activities and does not constitute Federal taxable income.

PPP2 loan: On March 30, 2021, the Organization obtained a PPP2 loan in the amount of $500,000, which is accounted for under ASC 470, *Debt*. The loan accrues interest at a rate of 1.00% and is unsecured. The Organization can apply for forgiveness of the loan principal and accrued interest if the Organization used the loan proceeds for eligible expenses and met the loan's employee retention criteria. Eligible expenses include payroll; employee benefits; utilities; rent and mortgage obligations; and certain covered operational, supplier, and worker protection expenses. Further, to be eligible for full forgiveness, no more than 40% of the loan proceeds can be used on non-payroll expenses. The Program provides for the deferment of principal and interest payments equal to the earlier of (1) the date of forgiveness or (2) 10 months after the end of the borrower's loan covered period. Should the Organization not receive full forgiveness, the loan is then payable in monthly principal and interest payments over the next five years. The Organization believes it will meet the criteria for full forgiveness. Any forgiveness of the loan will not constitute Federal taxable income.

Subsequent to year-end, the Organization applied for and was granted loan forgiveness, which was approved in full by the SBA on November 8, 2021.